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SUBJECT: UPDATE ON SWAZI-EU EPANEGOTIATIONS

¶1. SUMMARY: The Government of the Kingdom of Swaziland (GKOS) is expected to sign the interim Economic Partnership Agreement (EPA) with the European Union (EU) sometime in February. Swaziland has been in negotiations with the EU since November 2007, after the GKOS initialed an interim EPA. The date for signing a comprehensive EPA, one which includes trade in services and investment, is unknown.
END SUMMARY.

¶2. GKOS initialed an interim EPA along with Botswana, Lesotho, Mozambique and Namibia (with concerns) in December 2007. Without initialling the interim agreement, Swaziland would have been subject to the Generalized System of Preferences, which is less beneficial than the interim EPA. Swaziland anticipates signing the interim EPA this month after the verification process is completed. The negotiations toward achieving a full EPA are scheduled to continue this month.

¶3. COMMENT: Compared to its neighbours, Swaziland's EPA negotiations have received little fanfare. In December 2007, the media did some reporting on EPA negotiations and one or two economic commentators called for aggressive negotiating positions and warned against signing but, since then, EPAs have garnered little media attention. The slow movement on signing is attributable more to bureaucracy than negotiating difficult issues. Swaziland's poor economic situation means it needs the preferential access, and 60 million Euros in development funds, that an EPA agreement brings with it.
End comment.

PARKER